



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2003
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code	0380 <small>(Current Period)</small>	0380 <small>(Prior Period)</small>	NAIC Company Code	53007	Employer's ID Number	53-0078070
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [] Hospital, Medical & Dental Service or Indemnity [X] Is HMO, Federally Qualified? Yes [] No []					
Incorporated	08/11/1939		Commenced Business	03/15/1934		
Statutory Home Office	840 First Street NE <small>(Street and Number)</small>			Washington, DC 20065 <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	10455 Mill Run Circle <small>(Street and Number)</small> Owings Mills, MD 21117 <small>(City or Town, State and Zip Code)</small>					
				410-581-3000 <small>(Area Code) (Telephone Number)</small>		
Mail Address	10455 Mill Run Circle <small>(Street and Number or P.O. Box)</small>			Owings Mills, MD 21117 <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	10455 Mill Run Circle <small>(Street and Number)</small> Owings Mills, MD 21117 <small>(City or Town, State and Zip Code)</small>					
				410-998-7011 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.carefirst.com					
Statutory Statement Contact	William Vincent Stack <small>(Name)</small>			410-998-7011 <small>(Area Code) (Telephone Number) (Extension)</small>		
	bill.stack@carefirst.com <small>(E-mail Address)</small>			410-998-6850 <small>(FAX Number)</small>		
Policyowner Relations Contact	840 First Street NE <small>(Street and Number)</small> Washington, DC 20065 <small>(City or Town, State and Zip Code)</small>					
				800-321-3497 <small>(Area Code) (Telephone Number) (Extension)</small>		

OFFICERS

President	William Lockwood Jews	Secretary	John Anthony Picciotto
Treasurer	Gregory Mark Chaney		

VICE PRESIDENTS

Eric Randolph Baugh M.D.	David Donald Wolf	Gregory Mark Chaney
Gregory Allen Devou	Leon Kaplan	John Anthony Picciotto
Booker T. Carter, Jr.	Michael Bruce Edwards	Mary Anne Heckwolf
Patricia Ann Malone	Gwendolyn Denise Skillern	Edward William O'Neil
Pamela Sue Deuterman	Michael John Felber	Robert James Huber
Michael A. McShane	William Vincent Stack	Raymond Wayne Blosse'
Livio Renato Broccolino Esq.	Andrew James Fitzsimmons	Sharon Jean Vecchioni
Judy Stocker	Janice Elizabeth Carman	Rita Ann Costello
Frances Price Doherty	Ann Teat Gallant	Jeanne Ann Kennedy
Joseph Gabriel Rampone	Jack J. Nelson	Jeffrey Scott Joy

DIRECTORS OR TRUSTEES

Father William James Byron S.J.	Michel Llewellyn Daley	Floretta Dukes McKenzie Ed.D.
Sister Carol Ann Keehan RN,MS	George Burch Wilkes III	Edward John Baran

State of
County of

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

William Lockwood Jews
President

John Anthony Picciotto
Secretary

Gregory Mark Chaney
Treasurer

Subscribed and sworn to before me this
_____ day of _____, 2004

a. Is this an original filing? Yes [X] No []
b. If no,
 1. State the amendment number _____
 2. Date filed _____

 3. Number of pages attached _____

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT 4 - HEALTH CARE RECEIVABLES

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT 5 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT 6 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT 7 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]

EXHIBIT 8 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

23

EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment	15,686,880		3,396,351	12,290,529	12,290,529	
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	15,686,880	0	3,396,351	12,290,529	12,290,529	0



ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Group Hospitalization and Medical Services, Inc. 2. (LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF District of Columbia		DURING THE YEAR 2003							NAIC Company Code		53007
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	503,679	7,599	79,167	2,114			350,909			63,890			
2. First Quarter	496,500	7,678	73,243	2,032			350,266			63,281			
3. Second Quarter	491,738	8,147	70,393	2,006			348,504			62,688			
4. Third Quarter	488,899	8,052	68,611	1,959			347,292			62,985			
5. Current Year	489,138	8,362	68,912	1,920			346,843			63,101			
6. Current Year Member Months	5,908,512	96,214	849,199	23,928			4,182,921			756,250			
Total Member Ambulatory Encounters for Year:													
7. Physician	2,688,052	68,658	572,037	31,358			2,015,999						
8. Non-Physician	366,866	7,374	51,127	4,781			303,584						
9. Total	3,054,918	76,032	623,164	36,139	0	0	2,319,583	0	0	0	0	0	0
10. Hospital Patient Days Incurred	194,072	2,214	16,856	4,923			170,079						
11. Number of Inpatient Admissions	22,731	451	4,222	748			17,310						
12. Health Premiums Collected	986,038,284	17,204,585	163,577,997	3,959,902		8,416,521	789,667,059			3,202,281			9,939
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	1,308,718,616	22,834,773	217,108,781	5,255,777		11,170,821	1,048,085,048			4,250,225			13,191
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	1,191,837,878	16,291,271	164,810,970	3,344,227		6,835,471	997,088,987			3,348,663		120,753	(2,464)
18. Amount Incurred for Provision of Health Care Services	1,194,389,270	17,303,920	160,319,679	3,201,602		6,543,855	1,003,218,987			3,814,350			(13,123)

(a) For health business: number of persons insured under PPO managed care products 410,213 and number of persons under indemnity only products 18,023



ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Group Hospitalization and Medical Services, Inc. 2. _____ (LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF Maryland			DURING THE YEAR 2003						NAIC Company Code		53007
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
		Individual	Group											Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	133,409	6,892	89,492	3,667						33,358			
2. First Quarter	129,210	6,856	91,657	3,500						27,197			
3. Second Quarter	129,755	6,898	92,296	3,402						27,159			
4. Third Quarter	127,187	5,416	92,120	3,287						26,364			
5. Current Year	125,765	5,516	90,332	3,199						26,718			
6. Current Year Member Months	1,536,511	74,442	1,098,050	40,644						323,375			
Total Member Ambulatory Encounters for Year:													
7. Physician	1,042,871	66,579	914,651	61,641									
8. Non-Physician	86,213	5,830	75,340	5,043									
9. Total	1,129,084	72,409	989,991	66,684	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	41,056	2,879	29,262	8,915									
11. Number of Inpatient Admissions	9,695	617	7,588	1,490									
12. Health Premiums Collected	237,830,994	15,232,596	209,248,610	5,834,816		4,228,227				3,171,804			114,941
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	315,661,019	20,217,453	277,725,070	7,744,255		5,611,911				4,209,774			152,556
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	263,515,350	21,890,684	232,465,499	5,223,810		2,961,028				1,000,765			(26,436)
18. Amount Incurred for Provision of Health Care Services	268,205,389	22,646,924	236,978,780	4,867,294		2,837,103				1,023,745			(148,457)

(a) For health business: number of persons insured under PPO managed care products 105,472 and number of persons under indemnity only products 4,634



ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Group Hospitalization and Medical Services, Inc. 2. _____ (LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF Virginia			DURING THE YEAR 2003							NAIC Company Code		53007
		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
			2	3										
		Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:														
1. Prior Year		111,178	15,555	79,358	2,770						13,495			
2. First Quarter		101,844	16,126	73,228	2,688						9,802			
3. Second Quarter		100,914	17,001	71,194	2,644						10,075			
4. Third Quarter		96,563	17,006	66,941	2,612						10,004			
5. Current Year		96,020	17,515	66,134	2,596						9,775			
6. Current Year Member Months		1,198,314	201,149	842,516	31,825						122,824			
Total Member Ambulatory Encounters for Year:														
7. Physician		804,551	153,914	603,507	47,130									
8. Non-Physician		70,489	14,320	50,970	5,199									
9. Total		875,040	168,234	654,477	52,329	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred		28,278	4,550	17,452	6,276									
11. Number of Inpatient Admissions		6,644	1,079	4,564	1,001									
12. Health Premiums Collected		201,028,584	32,665,289	156,246,628	5,067,187		6,456,197				586,852			6,431
13. Life Premiums Direct		0												
14. Property/Casualty Premiums Written		0												
15. Health Premiums Earned		266,815,048	43,354,981	207,378,227	6,725,421		8,568,984				778,899			8,536
16. Property/Casualty Premiums Earned		0												
17. Amount Paid for Provision of Health Care Services		212,582,010	35,854,411	166,743,592	4,133,963		5,561,020				290,503			(1,479)
18. Amount Incurred for Provision of Health Care Services		212,199,548	38,605,522	163,958,324	3,833,104		5,459,561				351,836			(8,799)

(a) For health business: number of persons insured under PPO managed care products 80,527 and number of persons under indemnity only products 3,538



ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Group Hospitalization and Medical Services, Inc. 2. _____ (LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF Consolidated				DURING THE YEAR 2003					NAIC Company Code			53007
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	
		2	3											
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other	
Total Members at end of:														
1. Prior Year	748,266	30,046	248,017	8,551	0	0	350,909	0	0	110,743	0	0	0	
2. First Quarter	727,554	30,660	238,128	8,220	0	0	350,266	0	0	100,280	0	0	0	
3. Second Quarter	722,407	32,046	233,883	8,052	0	0	348,504	0	0	99,922	0	0	0	
4. Third Quarter	712,649	30,474	227,672	7,858	0	0	347,292	0	0	99,353	0	0	0	
5. Current Year	710,923	31,393	225,378	7,715	0	0	346,843	0	0	99,594	0	0	0	
6. Current Year Member Months	8,643,337	371,805	2,789,765	96,397	0	0	4,182,921	0	0	1,202,449	0	0	0	
Total Member Ambulatory Encounters for Year:														
7. Physician	4,535,474	289,151	2,090,195	140,129	0	0	2,015,999	0	0	0	0	0	0	
8. Non-Physician	523,568	27,524	177,437	15,023	0	0	303,584	0	0	0	0	0	0	
9. Total	5,059,042	316,675	2,267,632	155,152	0	0	2,319,583	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	263,406	9,643	63,570	20,114	0	0	170,079	0	0	0	0	0	0	
11. Number of Inpatient Admissions	39,070	2,147	16,374	3,239	0	0	17,310	0	0	0	0	0	0	
12. Health Premiums Collected	1,424,897,862	65,102,470	529,073,235	14,861,905	0	19,100,945	789,667,059	0	0	6,960,937	0	0	131,311	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	1,891,194,683	86,407,207	702,212,078	19,725,453	0	25,351,716	1,048,085,048	0	0	9,238,898	0	0	174,283	
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	0	
17. Amount Paid for Provision of Health Care Services	1,667,935,238	74,036,366	564,020,061	12,702,000	0	15,357,519	997,088,987	0	0	4,639,931	0	120,753	(30,379)	
18. Amount Incurred for Provision of Health Care Services	1,674,794,207	78,556,366	561,256,783	11,902,000	0	14,840,519	1,003,218,987	0	0	5,189,931	0	0	(170,379)	

(a) For health business: number of persons insured under PPO managed care products 596,212 and number of persons under indemnity only products 26,195

SCHEDULE A VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement).....
2.	Increase (decrease) by adjustment:
2.1	Totals, Part 1, Column 10
2.2	Totals, Part 3, Column 7
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9)
4.	Cost of additions and permanent improvements:
4.1	Totals, Part 1, Column 13.....
4.2	Totals, Part 3, Column 9
5.	Total profit (loss) on sales, Part 3, Column 14
6.	Increase (decrease) by foreign exchange adjustment:
6.1	Totals, Part 1, Column 11.....
6.2	Totals, Part 3, Column 8
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12
8.	Book/adjusted carrying value at end of current period
9.	Total valuation allowance
10.	Subtotal (Lines 8 plus 9)
11.	Total nonadmitted amounts
12.	Statement value, current period (Page 2, real estate lines, current period)

SCHEDULE B VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year
2.	Amount loaned during year:
2.1	Actual cost at time of acquisitions
2.2	Additional investment made after acquisitions
3.	Accrual of discount and mortgage interest points and commitment fees
4.	Increase (decrease) by adjustment
5.	Total profit (loss) on sale
6.	Amounts paid on account or in full during the year
7.	Amortization of premium
8.	Increase (decrease) by foreign exchange adjustment
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period
10.	Total valuation allowance
11.	Subtotal (Lines 9 plus 10)
12.	Total nonadmitted amounts
13.	Statement value of mortgages owned at end of current period

SCHEDULE BA VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year
2.	Cost of acquisitions during year:
2.1	Actual cost at time of acquisitions
2.2	Additional investment made after acquisitions
3.	Accrual of discount
4.	Increase (decrease) by adjustment
5.	Total profit (loss) on sale
6.	Amounts paid on account or in full during the year
7.	Amortization of premium
8.	Increase (decrease) by foreign exchange adjustment
9.	Book/adjusted carrying value of long-term invested assets at end of current period
10.	Total valuation allowance
11.	Subtotal (Lines 9 plus 10)
12.	Total nonadmitted amounts
13.	Statement value of long-term invested assets at end of current period

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	20,749,713	33,110,728	19,945,105	14,235,701	7,061,403	95,102,650	19.2	104,580,234	24.0	95,102,649	.0
1.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	20,749,713	33,110,728	19,945,105	14,235,701	7,061,403	95,102,650	19.2	104,580,234	24.0	95,102,649	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1 .....	.0	.0	.0	.0	348,375	348,375	0.1	986,631	0.2	348,375	.0
3.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	348,375	348,375	0.1	986,631	0.2	348,375	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	29,965,656	61,143,118	33,101,229	15,345,550	4,355,136	143,910,689	29.1	154,187,459	35.4	143,910,690	.0
5.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	29,965,656	61,143,118	33,101,229	15,345,550	4,355,136	143,910,689	29.1	154,187,459	35.4	143,910,690	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1 .....	.0	1,011,234	.0	.0	.0	1,011,234	.0.2	2,308,166	.0.5	1,011,234	.0
6.2 Class 2 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
6.3 Class 3 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
6.4 Class 4 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
6.5 Class 5 .....	.0	.0	.0	.0	.0	.0	.0.0	426,250	.0.1	.0	.0
6.6 Class 6	0	0	0	0	0	0	.0.0	0	.0.0	0	0
6.7 Totals	0	1,011,234	0	0	0	1,011,234	0.2	2,734,416	0.6	1,011,234	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	27,182,479	54,369,423	48,963,957	19,933,026	16,257,341	166,706,226	.33.7	90,639,203	.20.8	165,463,166	1,243,060
7.2 Class 2	2,819,943	12,021,645	30,807,914	20,434,636	17,274,221	83,358,359	.16.8	75,354,703	.17.3	79,840,866	3,517,493
7.3 Class 3 .....	.0	2,479,693	.0	526,838	.0	3,006,531	.0.6	6,771,469	.1.6	3,006,531	.0
7.4 Class 4 .....	.0	883,807	.0	.0	.0	883,807	.0.2	.0	.0.0	883,807	.0
7.5 Class 5 .....	.0	.0	.0	.0	.0	.0	.0.0	420,000	.0.1	.0	.0
7.6 Class 6 .....	.0	0	0	0	427,500	427,500	.0.1	427,500	.0.1	427,500	0
7.7 Totals	30,002,422	69,754,568	79,771,871	40,894,500	33,959,062	254,382,423	51.4	173,612,875	39.8	249,621,870	4,760,553
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
8.2 Class 2 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
8.3 Class 3 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
8.4 Class 4 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
8.5 Class 5 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
8.6 Class 6	0	0	0	0	0	0	.0.0	0	.0.0	0	0
8.7 Totals	0	0	0	0	0	0	.0.0	0	.0.0	0	0
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.2 Class 2 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.3 Class 3 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.4 Class 4 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.5 Class 5 .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.6 Class 6	0	0	0	0	0	0	.0.0	0	.0.0	0	0
9.7 Totals	0	0	0	0	0	0	.0.0	0	.0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	77,897,848	149,634,503	102,010,291	49,514,277	28,022,255	407,079,174	82.3	XXX	XXX	405,836,114	1,243,060
10.2 Class 2	2,819,943	12,021,645	30,807,914	20,434,636	17,274,221	83,358,359	16.8	XXX	XXX	79,840,866	3,517,493
10.3 Class 3 .....	.0	2,479,693	.0	526,838	.0	3,006,531	0.6	XXX	XXX	3,006,531	.0
10.4 Class 4 .....	.0	883,807	.0	.0	.0	883,807	0.2	XXX	XXX	883,807	.0
10.5 Class 5 .....	.0	.0	.0	.0	.0	(c) .0	0.0	XXX	XXX	.0	.0
10.6 Class 6	0	0	.0	.0	427,500	(c) 427,500	0.1	XXX	XXX	427,500	0
10.7 Totals	80,717,791	165,019,648	132,818,205	70,475,751	45,723,976	(b) 494,755,371	100.0	XXX	XXX	489,994,818	4,760,553
10.8 Line 10.7 as a % of Col. 6	16.3	33.4	26.8	14.2	9.2	100.0	XXX	XXX	XXX	99.0	1.0
11. Total Bonds Prior Year											
11.1 Class 1	111,015,716	98,935,044	87,852,493	35,835,381	19,063,059	XXX	XXX	352,701,693	80.9	350,339,187	2,362,504
11.2 Class 2	3,846,287	18,184,514	19,704,387	15,028,918	18,590,597	XXX	XXX	75,354,703	17.3	71,823,719	3,530,984
11.3 Class 3 .....	.0	1,125,284	2,408,175	1,050,638	2,187,372	XXX	XXX	6,771,469	1.6	6,771,468	.0
11.4 Class 4 .....	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.5 Class 5 .....	.0	420,000	.0	.0	426,250	XXX	XXX	(c) 846,250	0.2	846,250	.0
11.6 Class 6	0	0	427,500	0	0	XXX	XXX	(c) 427,500	0.1	427,500	0
11.7 Totals	114,862,003	118,664,842	110,392,555	51,914,937	40,267,278	XXX	XXX	(b) 436,101,615	100.0	430,208,124	5,893,488
11.8 Line 11.7 as a % of Col. 8	26.3	27.2	25.3	11.9	9.2	XXX	XXX	100.0	XXX	98.6	1.4
12. Total Publicly Traded Bonds											
12.1 Class 1	77,897,849	149,634,503	100,962,726	49,318,783	28,022,255	405,836,116	82.0	350,339,186	80.3	405,836,114	XXX
12.2 Class 2	2,819,943	12,021,645	30,807,914	18,936,095	15,255,269	79,840,866	16.1	71,823,720	16.5	79,840,866	XXX
12.3 Class 3 .....	.0	2,479,693	.0	526,838	.0	3,006,531	0.6	6,771,469	1.6	3,006,531	XXX
12.4 Class 4 .....	.0	883,807	.0	.0	.0	883,807	0.2	.0	0.0	883,807	XXX
12.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	846,250	0.2	.0	XXX
12.6 Class 6	0	0	0	0	427,500	427,500	0.1	427,500	0.1	427,500	XXX
12.7 Totals	80,717,792	165,019,648	131,770,640	68,781,716	43,705,024	489,994,820	99.0	430,208,125	98.6	489,994,818	XXX
12.8 Line 12.7 as a % of Col. 6	16.5	33.7	26.9	14.0	8.9	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	16.3	33.4	26.6	13.9	8.8	99.0	XXX	XXX	XXX	99.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1 .....	.0	.0	1,047,565	195,495	.0	1,243,060	0.3	2,362,504	0.5	XXX	1,243,060
13.2 Class 2 .....	.0	.0	.0	1,498,541	2,018,952	3,517,493	0.7	3,530,984	0.8	XXX	3,517,493
13.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals .....	.0	.0	1,047,565	1,694,036	2,018,952	4,760,553	1.0	5,893,488	1.4	XXX	4,760,553
13.8 Line 13.7 as a % of Col. 6	.0	.0	22.0	35.6	42.4	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.2	0.3	0.4	1.0	XXX	XXX	XXX	XXX	1.0

(a) Includes \$ 4,760,553 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
(b) Includes \$.0 current year, \$.0 prior year of bonds with Z designations and \$.0 , current year, \$.0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(c) Includes \$.0 current year, \$.0 prior year of bonds with 5* designations and \$.0 , current year, \$.0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	20,195,188	31,203,457	18,131,290	12,047,988	6,080,424	87,658,347	17.7	100,479,017	23.0	87,658,346	.0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	554,525	1,907,271	1,813,815	2,187,713	980,979	7,444,303	1.5	4,101,218	0.9	7,444,304	0
1.7 Totals	20,749,713	33,110,728	19,945,105	14,235,701	7,061,403	95,102,650	19.2	104,580,235	24.0	95,102,650	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
2.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations .....	.0	.0	.0	.0	348,375	348,375	0.1	986,631	0.2	348,375	.0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
3.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	348,375	348,375	0.1	986,631	0.2	348,375	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
4.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	0.0	39,965,405	9.2	.0	.0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	19,593,760	48,441,617	25,798,275	13,104,320	3,328,085	110,266,057	22.3	87,340,774	20.0	110,266,058	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	10,029,689	11,445,878	6,122,376	1,627,409	1,027,050	30,252,402	6.1	26,881,277	6.2	30,252,402	.0
5.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
5.5 Defined	342,208	1,255,623	1,180,578	613,821	.0	3,392,230	0.7	.0	0.0	3,392,229	.0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	29,965,657	61,143,118	33,101,229	15,345,550	4,355,135	143,910,689	29.1	154,187,456	35.4	143,910,689	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations .....	.0	1,011,234	.0	.0	.0	1,011,234	.0.2	2,734,416	.0.6	1,011,234	.0
6.2 Single Class Mortgage-Backed/Asset-Based Securities .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
6.4 Other .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	0	1,011,234	0	0	0	1,011,234	0.2	2,734,416	0.6	1,011,234	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	29,035,308	66,590,958	79,771,871	40,894,500	33,959,062	250,251,699	50.6	169,522,491	38.9	245,491,147	4,760,553
7.2 Single Class Mortgage-Backed/Asset-Based Securities .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined .....	.0	.0	.0	.0	.0	.0	.0.0	2,526,505	.0.6	.0	.0
7.4 Other .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined	289,108	627,871	.0	.0	.0	916,979	.0.2	.0	.0.0	916,979	.0
7.6 Other	678,006	2,535,739	0	0	0	3,213,745	0.6	1,563,876	0.4	3,213,745	0
7.7 Totals	30,002,422	69,754,568	79,771,871	40,894,500	33,959,062	254,382,423	51.4	173,612,872	39.8	249,621,871	4,760,553
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.2 Single Class Mortgage-Backed/Asset-Based Securities .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.4 Other .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined .....	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	49,230,496	98,805,649	97,903,161	52,942,488	40,387,861	339,269,655	68.6	XXX	XXX	334,509,102	4,760,553
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	20,148,285	50,348,888	27,612,090	15,292,033	4,309,064	117,710,360	23.8	XXX	XXX	117,710,362	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	10,029,689	11,445,878	6,122,376	1,627,409	1,027,050	30,252,402	6.1	XXX	XXX	30,252,402	.0
10.4 Other	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	631,316	1,883,494	1,180,578	613,821	.0	4,309,209	0.9	XXX	XXX	4,309,208	.0
10.6 Other	678,006	2,535,739	.0	.0	.0	3,213,745	0.6	XXX	XXX	3,213,745	.0
10.7 Totals	80,717,792	165,019,648	132,818,205	70,475,751	45,723,975	494,755,371	100.0	XXX	XXX	489,994,819	4,760,553
10.8 Line 10.7 as a % of Col. 6	16.3	33.4	26.8	14.2	9.2	100.0	XXX	XXX	XXX	99.0	1.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	100,983,181	72,927,378	70,075,944	33,998,635	35,702,822	XXX	XXX	313,687,960	71.9	307,794,471	5,893,487
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	11,497,119	37,029,374	24,922,495	13,809,089	4,183,915	XXX	XXX	91,441,992	21.0	91,441,993	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined	2,112,679	7,704,358	15,153,043	4,057,161	380,541	XXX	XXX	29,407,782	6.7	29,407,782	.0
11.4 Other	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Other	269,023	1,003,731	241,072	50,050	.0	XXX	XXX	1,563,876	0.4	1,563,877	.0
11.7 Totals	114,862,002	118,664,841	110,392,554	51,914,935	40,267,278	XXX	XXX	436,101,610	100.0	430,208,123	5,893,487
11.8 Line 11.7 as a % of Col. 8	26.3	27.2	25.3	11.9	9.2	XXX	XXX	100.0	XXX	98.6	1.4
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	49,230,496	98,805,649	96,855,596	51,248,452	38,368,909	334,509,102	67.6	307,794,471	70.6	334,509,102	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	20,148,285	50,348,889	27,612,090	15,292,034	4,309,064	117,710,362	23.8	91,441,992	21.0	117,710,362	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined	10,029,689	11,445,878	6,122,376	1,627,409	1,027,050	30,252,402	6.1	29,407,783	6.7	30,252,402	XXX
12.4 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined	631,316	1,883,494	1,180,578	613,821	.0	4,309,209	0.9	.0	0.0	4,309,209	XXX
12.6 Other	678,006	2,535,739	.0	.0	.0	3,213,745	0.6	1,563,876	0.4	3,213,745	XXX
12.7 Totals	80,717,792	165,019,649	131,770,640	68,781,716	43,705,023	489,994,820	99.0	430,208,122	98.6	489,994,820	XXX
12.8 Line 12.7 as a % of Col. 6	16.5	33.7	26.9	14.0	8.9	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	16.3	33.4	26.6	13.9	8.8	99.0	XXX	XXX	XXX	99.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	.0	.0	1,047,565	1,694,036	2,018,952	4,760,553	1.0	5,893,488	1.4	XXX	4,760,553
13.2 Single Class Mortgage-Backed/Asset-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	.0	1,047,565	1,694,036	2,018,952	4,760,553	1.0	5,893,488	1.4	XXX	4,760,553
13.8 Line 13.7 as a % of Col. 6	.0.0	.0.0	22.0	35.6	42.4	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.2	0.3	0.4	1.0	XXX	XXX	XXX	XXX	1.0

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years					
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	94,811,594	94,811,594	0	0	0
2. Cost of short-term investments acquired	670,176,742	670,176,742	0	0	0
3. Increase (decrease) by adjustment	89,463	89,463	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	5,325	5,325	0	0	0
6. Consideration received on disposal of short-term investments	736,006,265	736,006,265	0	0	0
7. Book/adjusted carrying value, current year	29,076,859	29,076,859	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	29,076,859	29,076,859	0	0	0
10. Total nonadmitted amounts	0	0	0	0	0
11. Statement value (Lines 9 minus 10)	29,076,859	29,076,859	0	0	0
12. Income collected during year	771,009	771,009	0	0	0
13. Income earned during year	600,613	600,613	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: +0

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Owned

1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year)	0
2.	Cost/Option Premium (Section 2, Column 7)	0
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12)+(Section 3, Column 13)	0
4.	Gain/(Loss) on Termination:	
4.1	Recognized (Section 3, Column 14)	0
4.2	Used to Adjust Basis of Hedged Item (Section 3, Column 15)	0
5.	Consideration received on terminations (Section 3, Column 12)	0
6.	Used to Adjust Basis on Open Contracts (Section 1, Column 13)	0
7.	Disposition of deferred amount on contracts terminated in prior year:	
7.1	Recognized	
7.2	Used to Adjust Basis of Hedged Item	0
8.	Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 – 5 – 6 - 7)	0

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Written

1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year)	0
2.	Consideration received (Section 2, Column 7)	0
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12)+(Section 3, Column 13)	0
4.	Gain/(Loss) on Termination:	
4.1	Recognized (Section 3, Column 14)	0
4.2	Used to Adjust Basis (Section 3, Column 15)	0
5.	Consideration paid on terminations (Section 3, Column 12)	0
6.	Used to Adjust Basis on Open Contracts (Section 1, Column 13)	0
7.	Disposition of deferred amount on contracts terminated in prior year:	
7.1	Recognized	
7.2	Used to Adjust Basis	0
8.	Aggregate write-in book value, December 31, Current Year	0

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Swaps and Forwards

1. Aggregate write-in book value, December 31, prior year (Section 4, Line 8, prior year)	0
2. Cost or (Consideration Received) (Section 2, Column 7)	0
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	0
4. Gain/(Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	0
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	0
5. Consideration received (or paid) on terminations (Section 3, Column 12)	0
6. Used to Adjust Basis of Hedged Item on Open Contracts (Section 1, Column 13)	0
7. Disposition of deferred amount on contracts terminated in prior year:	
7.1 Recognized	
7.2 Used to Adjust Basis of Hedged Item	0
8. Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 – 5 – 6 - 7)	0

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Futures Contracts and Insurance Futures Contracts

1. Aggregate write-in book value, December 31, prior year (Section 4, Line 8, prior year)	0
2. Change in total Variation Margin on Open Contracts (Difference between years - Section 1, Column 6)	0
3.1 Change in Variation Margin on Open Contracts used to Adjust Basis of Hedged Item (Section 1, Column 11)	0
3.2 Change in variation margin on open contracts recognized (Difference between years - Section 1, Column 10)	0
4.1 Variation Margin on Contracts Terminated During the Year (Section 3, Column 6)	0
4.2 Less:	
4.21 Gain/(Loss) Recognized in Current Year (Section 3, Column 11)	0
4.22 Gain/(Loss) Used to Adjust Basis of Hedge (Section 3, Column 12)	0
4.3 Subtotal (Line 4.1 minus Line 4.2)	0
5.1 Net additions to Cash Deposits (Section 2, Column 7)	0
5.2 Less: Net Reductions to Cash Deposits (Section 3, Column 9)	0
6. Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2)	0
7. Disposition of Gain/(Loss) on Contracts Terminated in Prior Year:	
7.1 Recognized	
7.2 Used to Adjust Basis of Hedged Item	0
8. Aggregate write-in book value, December 31, Current Year (Lines 6 + 7.1 + 7.2)	0

SCHEDULE DB - PART E - VERIFICATION BETWEEN YEARS

Verification of Statement Value and Fair Value of Open Contracts

	Statement Value
1. Part A, Section 1, Column 10	0
2. Part B, Section 1, Column 10	0
3. Part C, Section 1, Column 10	0
4. Part D, Section 1, Column 9 - 12	0
5. Lines (1) - (2) + (3) + (4)	0
6. Part E, Section 1, Column 4	0
7. Part E, Section 1, Column 5	0
8. Lines (5) - (6) - (7)	0
	Fair Value
9. Part A, Section 1, Column 11	0
10. Part B, Section 1, Column 11	0
11. Part C, Section 1, Column 11	0
12. Part D, Section 1, Column 9	0
13. Lines (9) - (10) + (11) + (12)	0
14. Part E, Section 1, Column 7	0
15. Part E, Section 1, Column 8	0
16. Lines (13) - (14) - (15)	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE DB - PART F- SECTION 1

Summary of Replicated (Synthetic) Assets Open

[illegible]

SCHEDULE DB - PART F - SECTION 2

	Reconciliation of Replicated (Synthetic) Assets Open									
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-to-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory	0	0	0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of For Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed for Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE S - PART 4

Reinsurance Ceded to Unauthorized Companies

[illegible]

Schedule S-Part 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2003	2 2002	3 2001	4 2000	5 1999
A. OPERATIONS ITEMS					
1. Premiums.....	293	95	407	385	298
2. Title XVIII-Medicare.....	0	0	0	0	0
3. Title XIX-Medicaid.....	0	0	0	0	0
4. Commissions and reinsurance expense allowance.....		0	0	0	0
5. Total hospital and medical expenses.....		0	0	0	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable		0	96	120	120
7. Claims payable.....		0	0	0	0
8. Reinsurance recoverable on paid losses.....	0	0	0	0	0
9. Experience rating refunds due or unpaid.....		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid.....		0	0	0	0
11. Unauthorized reinsurance offset.....	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F).....	0	0	0	0	0
13. Letters of credit (L).....	0	0	0	0	0
14. Trust agreements (T).....	0	0	0	0	0
15. Other (O)	0	0	0	0	0

SCHEDULE S-PART 6
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	616,779,523		616,779,523
2. Accident and health premiums due and unpaid (Line 12).....	570,753,370		570,753,370
3. Amounts recoverable from reinsurers (Line 13.1).....	0		0
4. Net credit for ceded reinsurance.....	XXX	0	0
5. All other admitted assets (Balance).....	105,044,877		105,044,877
6. Total assets (Line 26)	1,292,577,769	0	1,292,577,769
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	244,289,500	0	244,289,500
8. Accrued medical incentive pool and bonus payments (Line 2).....	0		0
9. Premiums received in advance (Line 8).....	440,348,277		440,348,277
10. Reinsurance in unauthorized companies (Line 18).....	0		0
11. All other liabilities (Balance).....	215,931,832		215,931,832
12. Total liabilities (Line 22).....	900,569,609	0	900,569,609
13. Total capital and surplus (Line 30).....	392,008,160	XXX	392,008,160
14. Total liabilities, capital and surplus (Line 31)	1,292,577,769	0	1,292,577,769
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid.....	0		
16. Accrued medical incentive pool.....	0		
17. Premiums received in advance	0		
18. Reinsurance recoverable on paid losses	0		
19. Other ceded reinsurance recoverables	0		
20. Total ceded reinsurance recoverables	0		
21. Premiums receivable	0		
22. Unauthorized reinsurance	0		
23. Other ceded reinsurance payables/offsets	0		
24. Total ceded reinsurance payable/offsets	0		
25. Total net credit for ceded reinsurance	0		

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE Y (continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
47021	52-2069215	CareFirst, Inc.					417,478			(30,000)	387,478	
53007	52-1435675	Group Hospitalization & Medical Services, Inc.					(26,665,720)			10,020	(26,655,700)	
47058	52-1385894	CareFirst of Maryland, Inc.					118,805,826			391,143	119,196,969	
	52-1635265	CFS Health Group					1,047,478			494,868	1,542,346	
95574	52-1226606	Delmarva Health Plan, Inc.					(1,205,701)			.0	(1,205,701)	
	52-0999133	Patuxent Medical Group					3,600,633				3,600,633	
60113	52-1962376	First Care, Inc.					(160,879)				(160,879)	
	52-1187907	Willse & Associates					(529,033)				(529,033)	
	56-1641773	The Michelson Group, Inc. DBA NCAS					142,008				142,008	
	52-1589363	Potomac Physicians, PA of MD					7,700,903				7,700,903	
11227	52-2362725	CapitalCare, Inc.					(521,105)				(521,105)	
96202	52-1358219	CareFirst BlueChoice, Inc.					(91,975,693)			(223,641)	(92,199,334)	
	52-1330940	National Capital Administrative Services, Inc.					(348,986)				(348,986)	
	52-1118153	National Capital Insurance Agency, Inc.					(717,557)				(717,557)	
53287	51-0020405	BlueCross BlueShield of Delaware, Inc.					(8,223,049)				(8,223,049)	
	51-0383213	NCIA Insurance Agency, Inc.					(115,560)				(115,560)	
	51-0293417	The Gateway Group, LTD.					(102,774)				(102,774)	
	52-1529910	PHN Services, Inc.					(1,097,486)				(1,097,486)	
95641	52-1474212	PHN-HMO, Inc.					(50,783)			(642,390)	(693,173)	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

MARCH FILING

- APRIL FILING**

- ## JUNE FILING

- EXPLANATIONS:**

7.

8.

BAR CODE:

7. 
5 3 0 0 7 2 0 0 3 2 0 5 0 0 0 0 0

8.  5 3 0 0 7 2 0 0 3 2 0 7 0 0 0 0 0

OVERFLOW PAGE FOR WRITE-INS

M002 Additional Aggregate Lines for Page 02 Line 23.

*ASSETS

2304. Intangible Assets.....	1,114,450	1,114,450	0	0
2397. Summary of remaining write-ins for Line 23 from Page 2	1,114,450	1,114,450	0	0

M003 Additional Aggregate Lines for Page 03 Line 21.

*LIAB

2104. Rate Stabilization.....	8,768,025		8,768,025	12,072,714
2105. Deposits.....	8,559,335		8,559,335	7,977,837
2106. Participating Hospitals.....	1,619,318		1,619,318	2,692,825
2107. Claims Refund Suspense.....	11,798,302		11,798,302	7,254,291
2108. Unallocated Receipts.....	525,020		525,020	525,020
2109. Deferred Gain on Building.....	0		0	3,210,541
2110. RSR DC Premium Tax.....			0	1,661,437
2197. Summary of remaining write-ins for Line 21 from Page 03	31,270,000	0	31,270,000	35,394,665

M014 Additional Aggregate Lines for Page 14 Line 25.

*EXEXP

2504. Network Access and Host Plan Reimbursement - Par.....	(21,024,316)	(18,598)		(21,042,914)
2505. Miscellaneous.....	(370,371)	2,821,371		2,451,000
2597. Summary of remaining write-ins for Line 25 from Page 14	(21,394,687)	2,802,774	0	(18,591,914)



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF District of Columbia

NAIC Group Code 0380

Address (City, State and Zip Code) , 20065

Person Completing This Exhibit Jeffrey L. Howard

Title Manager, Actuarial Services

NAIC Company Code 53007

Telephone Number 410-998-7415

[illegible]

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give complete and full details:

Product predates OBRA.

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.

2.1 Address: 10455 Mill Run Circle Owings Mills, Maryland 21117

2.2 Contact Person and Phone Number: Booker T Carter 410-998-5725

3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).

3.1 Address: 10455 Mill Run Circle Owings Mills, Maryland 21117

3.2 Contact Person and Phone Number:

4. Explain any policies identified above as policy type "O".



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF Maryland

NAIC Group Code	0380	NAIC Company Code	53007
Address (City, State and Zip Code)			
Person Completing This Exhibit			
Title			Telephone Number

[illegible]

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give complete and full details:
Product predates OBRA.....
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
2.1 Address: 10455 Mill Run Circle Owings Mills, Maryland 21117
2.2 Contact Person and Phone Number: Mike Felber 410-998-7476
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
3.1 Address: 10455 Mill Run Circle Owings Mills, Maryland 21117
3.2 Contact Person and Phone Number: Joe Rampone 410-998-5370
4. Explain any policies identified above as policy type "O".



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF Virginia

NAIC Group Code 0380

Address (City, State and Zip Code)

Person Completing This Exhibit

Title

NAIC Company Code 53007

Telephone Number

[illegible]

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give complete and full details:

Product predates OBRA.

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.

2.1 Address: 10455 Mill Run Circle Owings Mills, Maryland 21117

2.2 Contact Person and Phone Number:

3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).

3.1 Address: Owings Mills, Maryland 21117

3.2 Contact Person and Phone Number:

4. Explain any policies identified above as policy type "O".